COURSE CATALOGUE

MASTER – M.Sc. IN ECONOMICS
PO 2013

Please note that the optional courses have been provided in the past terms. There is no guarantee that they will be offered again. Please refer to the actual information on our master homepage:
http://www.en.master.vwl.uni-muenchen.de/courses/index.html

Version November 2014

Compulsory Modules (CM)

Mathematics for Economists

Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	„Abiturwissen" mathematics; basic knowledge of linear algebra and multivariable calculus; being open for a rigorous approach - theorems stated carefully and some proofs given

Syllabus/Course outline

1. Introduction
2. Methods of Proof
3. Matrix Algebra
4. Functions
5. Integration
6. Optimization
7. Basics in Probability Theory
8. Basic Stochastic Processes
9. Basics in Dynamic Programming
10. More Advanced Material in Topology

Literature
Most of the material is covered in any good math for econ book. We will mostly be using the ones below. Most of the relevant core material is covered in the Jehle/Reny appendix.

de la Fuente. Mathematical Methods and Models for Economists. Cambridge University Press (2000)

M. Hoy, J. Livernois, C.J. McKenna, R. Rees, and T. Stengos. Mathematics for Economics. MIT Press. 2nd edition (2001)

G. Jehle and P.J. Reny. Advanced Microeconomic Theory. Addison Wesley. 2nd edition (2000)

Mas-Colell, M.D. Whinston, and J.R. Green. Microeconomic Theory. Oxford University Press (1995)

C.P. Simon and L.E. Blume. Mathematics for Economists. W. W. Norton & Company (1994)

K. Wainwright and A. Chiang. Fundamental Methods of Mathematical Economics. McGraw-Hill/Irwin. 4th edition (2004)

Microeconomics

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Undergraduate microeconomics

Syllabus/Course Outline

This course introduces graduate students to some of the most important and most commonly used microeconomic methods. The first half of the course offers an introduction to neoclassical decision theory and game theory (strategic decision making). The second part of the course focuses on models of imperfect competition and information economics. We discuss models of monopoly pricing, oligopolistic competition, and information asymmetries in markets including auctions, adverse selection, screening and moral hazard. Furthermore, basic models of optimal contracting under informational asymmetries are introduced.

1. Decision Theory - Individual decisions under certainty and under uncertainty
2. Game Theory - Strategic interaction of individual decision makers
3. Market Power - Strategic interaction on oligopolistic markets
4. Markets with Asymmetric Information - Adverse Selection, signaling and screening

Literature
All participants have to work with this book. Additional references will be given in the lecture.

Mas-Colell, M.D. Whinston, and J.R. Green. Microeconomic Theory. Oxford University Press (1995)

Macroeconomics

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Basic Knowledge in Macro, Micro and Mathematical Methods (Calculus)

Syllabus/Course Outline

This course offers an introduction to modern macroeconomics. The course is intended to make students familiar with methods and models used in contemporary research in macroeconomics. The course focuses on substance in different areas of macroeconomics, in particular in models of economic growth and fluctuations. The course is also devoted to provide an introduction in methodological aspects. In particular, the course covers the basic concepts used in dynamic models of intertemporal choice.
The course covers the following topics:
1. Economic Growth
   - Motivation and Recap of Methods (Differential Equations, Taylor Series)
   - Solow RecapMore Methods: Dynamic Optimization
   - Ramsey Model
   - Extensions of the Neoclassical Growth Model
   - Endogenous Growth
2. Overlapping Generations (OLG) Models
3. Economic Fluctuations
   - Basics
   - Real Business Cycles
   - Some Methods: Log-Linearization
   - Solution,
   - Calibration and Simulation
   - New-Keynesian Models and Monetary Policy

Literature
Main Reference:
D. Romer: Advanced Macroeconomics, 4rd edition, McGraw Hill, 2011
Additional references:
D. Acemoglu: Introduction to Modern Economic Growth, Princeton University Press, 2011
J. Gali, Monetary Policy, Inflation and the Business Cycle, an Introduction to the New Keynesian Framework, Princeton University Press, 2008.
Additional references and research articles are given in the course.

Econometrics

Professor/Lecturer	Winter, Joachim / Wuppermann, Amelie
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	*Empirische Ökonomie für Fortgeschrittene* or an equivalent course in econometrics; basic knowledge of matrix algebra and probability theory.

Syllabus/Course Outline

This course introduces graduate students to econometric methods for the analysis of cross-sectional and panel data. The course presents commonly used inference methods for linear and nonlinear specifications, including linear and nonlinear regression models, maximum likelihood estimation, instrumental variables estimation, generalized method-of-moments estimation, and estimation methods for models with qualitative and limited dependent variables. In the accompanying exercise sessions, participants practice the application of these methods to real-world problems, using the econometrics package STATA.

The course covers the following topics:

1. The linear model and OLS estimation
2. Instrumental variables
3. Linear models for panel data
4. Treatment effects
5. M estimators

Literature
Core text:
Jeffrey M. Wooldridge, Econometric Analysis of Cross Section and Panel Data, 2nd Edition, Cambridge, MA: MIT Press, 2010
Additional references will be given in the lecture.

Public Economics

Professor/Lecturer	Meier, Volker / Haufler, Andreas
Course type	Lecture and Tutorial
Compulsory/Optional	Compulsory
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Undergraduate Level Economics

Syllabus/Course Outline

The course gives an introduction to advanced level public economics, covering both the expenditure and the revenue side of the government budget. The first half of the term is devoted to the welfare state, with a particular focus on the pension and unemployment insurance branches of social security systems. The second half of the course will turn to the efficiency and redistributional effects of modern tax systems. Core topics are optimal commodity and income taxation, the effects of taxes on risk-taking, and tax evasion.

I. Expenditures and the welfare state
1. Justification of Redistribution
2. Justification of Social Insurance
3. Public Pensions
4. Family policy
5. Unemployment insurance

II. Tax system: efficiency and redistribution
6. Overview: Tax systems in the OECD
7. Optimal commodity taxation
8. Optimal income taxation
9. Taxation and risk-taking
10. Tax evasion

Literature
Myles, Gareth (1995). Public Economics. Cambridge University Press.
Rosner, Peter G. (2003). The Economics of Social Policy. Edward Elgar: Cheltenham and Northampton, MA.
Further references will be given in the lecture.

Revision Tutorials

Professor/Lecturer	N.N.
Course type	Tutorial
Compulsory/Optional	Revision tutorials for the compulsory modules "Mathematics for Economists", "Microeconomics", "Macroeconomics", "Econometrics" and "Public Economics"
Hours/week	2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Lecture & Tutorial of the respective module as held in the winter term

Syllabus/Course outline

The revision tutorials support students to retake the respective exam.

Literature
See respective module (winter term)

Optional Modules (OM)

To maximize flexibility for students in choosing any given course all of them are eligible for every module, as there are:

- Studies in Economic Theory (12 ECTS)
- Topics in Economic Theory A (6 ECTS)
- Topics in Economic Theory B (6 ECTS)
- Studies in Economic Analysis and Empirical Economics (12 ECTS)
- Topics in Economic Analysis and Empirical Economics A (6 ECTS)
- Topics in Economic Analysis and Empirical Economics B (6 ECTS)
- Studies in Public Economics (12 ECTS)
- Topics in Public Economics A (6 ECTS)
- Topics in Public Economics B (6 ECTS)

Hence students just have to decide which OM-course they want to attend, modules as regulated by the examination regulations will be filled with any given course.

Specialization:
In the 2nd and 3rd semesters, students freely choose courses from a wide selection of modules. They have the possibility to specialize and/or opt for research-oriented courses. We offer the following fields of specialization:

- Microeconomics and Strategic Interaction
- Applied Econometrics
- Public Sector Economics
- Macro and International Economics

In order to acquire a certificate of specialization, students must obtain at least 24 ECTS from courses within the specific field and write their Master thesis in the same field. In addition to the certification for studies in a special field, students can acquire a certificate for obtaining 18 ECTS in research-orientated courses. Opting for research-oriented courses will especially be the choice for those students who plan to continue their studies in a PhD-program. While you may combine a field of specialization with a research specialization you may not combine two fields – you will have to decide with the field of your Master thesis at the latest which specialization your certificate is issued.

Please see the "Guideline M Sc. in Economics 2013" for more information about the combination of OM-courses.

Advanced Microeconomics: Decision Theory

Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Specialization	Microeconomics and Strategic Interaction; Research
Compulsory/Optional	Optional
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

1. Classical Demand and Production Theory
   - individual decisions under certainty
2. Decisions under Uncertainty
   - Expected Utility Theory
   - Risk aversion, Measures of risk
   - Subjective Probabilities
   - Deviations from the Expected Utility Hypothesis
3. Information Economics
   - (a bit of) markets with adverse selection
   - (some more) bilateral contracting situations with moral hazard
4. Partial and General Equilibrium
   - competitive equilibrium
   - Pareto optimality
   - two fundamental theorems of welfare
   - some other properties of competitive equilibria and welfare economics
   - the theory of social choice
5. (causes and consequences of) Market Failure
6. Auctions and Mechanism Design

Literature
G. Jehle and P.J. Reny. Advanced Microeconomic Theory. Prentice Hall. 3rd edition (2011)
Mas-Colell, A., M. Whinston und J. Green: Microeconomic Theory, Oxford: Oxford University Press 1995

Advanced Microeconomics: Contract Theory

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture with Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	2+2
Exam	Written exam (120 minutes)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge of Microeconomics and Game Theory

Syllabus/Course Outline

The lecture will give a solid introduction into the main methods and some applications of contract theory in order to provide graduate students with a thorough understanding of the tools of contract theory and to enable them to use these tools in their own research.

1. Introduction
2. Static Moral Hazard
3. Dynamic Moral Hazard
4. Adverse Selection Models
5. Mechanism Design
6. Relational Contracts and Career Concerns
7. Incomplete Contracts
8. Behavioral Contract Theory

Literature

Will be given in the course

Advanced Macroeconomics

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics; Research
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge in Macroeconomics, Microeconomics and Mathematical Methods (calculus)

Syllabus/Course Outline

Macroeconomics has two goals: It (should) develop theories to describe/understand the evolution of important aggregate variables such as consumption, output, investment, employment, as well as prices such as interest rates and wages. It should judge policy measures in a normative way based on the relevant macroeconomic theories. In its methods, modern macroeconomics is based on the concept of dynamic, stochastic, general equilibrium models.

1. Topics in Growth Theory
   - Growth Empirics
   - Unified Growth Theory and Long-Run Development
2. Theories of Consumption
   - Permanent Income and Lifecycle Consumption
   - Risk, Time Inconsistency, and the CCAPM
   - Equity Premium Puzzle
3. Investment
   - Adjustment Costs and the q-Theory
   - Irreversible Investments and Capital Market Imperfections
4. Unemployment
   - Measurement and Stylized Facts
   - Hiring Costs
   - Efficiency Wages
   - Frictions: Search, Matching, and the 'Shimer-Puzzle'
5. Fiscal Policy
   - Debt, Deficit, and Ricardian Equivalence
   - The Fiscal Multiplier: Theory and Evidence
   - Political Economy, Debt Crises, and Growth

Literature
Galí, J. (2008), "Monetary Policy, Inflation, and the Business Cycle", Princeton University Press.
Walsh, C. (2003), "Monetary Theory and Policy", The MIT Press.

Time Series Analysis

Professor/Lecturer	Flaig, Gebhard
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Good knowledge of econometric methods and statistical analysis; at least basic knowledge of time series models (ARIMA models)

Syllabus/Course Outline

Outline of lecture

1) Basic Concepts of time series models
2) ARIMA models
3) Spectral analysis
4) Analysis of important filters in economics
5) State space modelling and the Kalman filter

The aim of the course is to present important concepts of time series analysis (Stationarity of stochastic processes, ARIMA models, spectral analysis, state space modelling etc.). The course is a mixture of theory and practical applications of time series methods. The theoretical material (presented mainly in the lecture) focuses upon properties of stationary time series and their analysis in the time and frequency domain. In the tutorial, problems of specification and estimation of time series are treated. We use the programming language GAUSS for empirical applications.

Literature

James Hamilton (1994), Time Series Analysis. Princeton University Press
Andrew Harvey (1993), Time Series Models. MIT Press
Robert Shumway/David Stoffer (2011), Time Series Analysis and its Applications. Springer

Search and Matching Models

Professor/Lecturer	Holzner, Christian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics, Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	

Syllabus/Course Outline

1. Introduction
2. Mortensen-Pissarides matching model
3. Endogenous job destruction
4. Search and on-the-job search
5. Directed search

Literature
The following three textbooks cover most of the course:
 Pierre Cahuc and Andŕe Zylberberg (2004): Labor Economics, MIT Press.
Christopher A. Pissarides (2000): Equilibrium Unemployment Theory, MIT Press.
Dale Mortensen (2005): Wage dispersion, MIT Press.

Information about specific readings will be given in the course.

Growth and Natural Resources

Professor/Lecturer	Pittel, Karin / Jaakkola, Niko
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics, Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Macroeconomics Basic knowledge in the fields of environment and resource economics as well as in dynamic modeling is helpful but not essential.

Syllabus/Course outline

The course focuses on the implications of resource scarcity and environmental constraints on economic growth. To lay the foundations for the analysis, the course starts with a short refresher on neoclassical growth theory and endogenous growth theory. We then focus on specific aspects with respect to the extraction and use of exhaustible and renewable resources, as well the impact of pollution (particularly climate change). Topics dealt with include socially optimal resource use, laissez-faire growth and the effects of environmental and resource policies, the long-run potential for economic growth under resource scarcity, the direction of technological development and the role of property rights.

Literature

Specific references will be given at the beginning of and during the lecture series.

General references which may be useful:

Dynamic optimization: A textbook covering dynamic optimization methods may be useful. One straightforward introduction is Chiang, A.C. (1992), Elements of Dynamic Optimization, McGraw-Hill.

Growth theory: A general reference on growth theory will be useful. Some possible titles (among others!) are Barro, R. J. and X. Sala–i–Martin (2004), 'Economic Growth', MIT Press; Aghion, P. and P. Howitt (2009): 'Economics of Growth', MIT Press; Acemoglu, D. (2008): Introduction to Modern Economic Growth, Princeton University Press. These overlap in content, but differ in terms of style, difficulty and comprehensiveness; you should pick the one you feel suits you best.

Environmental economics: An easy introduction to environmental economics is Perman, R. et al. (2011), 'Natural Resource and Environmental Economics', Pearson.

Contest Theory & Experiments

Professor/Lecturer	Kocher, Martin
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Economic, political and social problems are described as contests when agents exert costly efforts while competing over the distribution of a scarce resource. Examples are: competition for mates, patents, promotions within firms, lobbying politicians, elections, sports competitions, or global conflicts. Such environments have been analyzed using Tullock contests, all-pay auctions and rank-order tournaments.

The course will cover theoretical models and experimental papers testing predictions from the models.

Literature

Will be given in the course

Determinants of Individual Productivity

Professor/Lecturer	Kocher, Martin & Sunde, Uwe & Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	not given*)
Hours/week	2+2)
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Aim of the course is discussing determinants of individual labor productivity as a consequence of individual decisions; covering studies analyzing human capital accumulation and the effects of ageing as well as illness; debating theoretical models and empirical evidence.

Literature

Will be given in the course

*) PhD-Course; advanced Master students may attend after consultation (please contact the professor)

System Competition

Professor/Lecturer	Meier, Volker
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics, Public Economics

Syllabus/Course

Introduction: Competition among States
Taxes and Public Infrastructure Goods
The Erosion of the Welfare State
Hamiltonians
Social Dumping in the Transformation Process
Ecological Competition
The Competition of Product Standards
Limited liability, Risk Taking and the Competition of Bank Regulators
The Competition of Competition Rules
The Implications of Systems Competition for Europe and the Greek Crisis

Literature
D. C. Mueller (2003), Public Choice III. Cambridge University Press: Cambridge etc.
T. Persson and G. Tabellini (2000), Political Economics. MIT Press: Cambridge and London

Introduction to liquidity trap economics: theory, quantitative methods, and empirical results

Professor/Lecturer	Watzka, Sebastian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Macroeconomics Interest in monetary economics and DSGE models more generally

Syllabus/Course Outline

1. Introduction (Motivation, liquidity trap in the General Theory, recent developments in industrialised economies)
2. Liquidity Trap in modern style New Keynesian DSGE models
3. Computational issues and empirical testing

Aims
Introducing students to recent developments in monetary economics, and in particular to issues related to liquidity trap and implications for monetary and fiscal policies.

Learning Outcomes:
Better understanding of the theoretical, computational and empirical issues related to the liquidity trap, or more generally to an environment of low interest rates.

Selected topics:
liquidity trap, Zero Lower Bound, unconventional monetary policy, inflation expectations, depression economics

Literature
David Romer, Short-Run Fluctuations, Manuscript University of California, Berkeley, in particular Chapter IV
David Romer, Advanced Macroeconomics, McGraw-Hill

Microeconometrics

Professor/Lecturer	Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	2+2
Exam	Written exam (120 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Econometrics

Syllabus/Course Outline

1. Review of linear regression models
2. Maximum likelihood estimation
3. Hypothesis and specification tests, bootstrap methods
4. Binary dependent variables
5. Multinomial models and discrete choice
6. Censoring and selection models
7. Count data models
8. Mixture models and unobserved heterogeneity

Literature
A. C. Cameron and P. K. Trivedi: Microeconometrics: Methods and Applications. New York: Cambridge University Press, 2005.
A. C. Cameron and P. K. Trivedi: Microeconometrics Using Stata. College Station, TX: Stata Press, 2008.

Evaluation Economics

Professor/Lecturer	Danzer, Alexander
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
General Prerequisites	Econometrics. Advanced knowledge and interest in applied econometrics, experience with working with Stata, willingness to conduct own empirical research

Syllabus/Course Outline

Aims

- give students broad training in the economics and econometrics of policy evaluation
- provide students with the facility to apply economic models and quantitative techniques to evaluate actual policy interventions
- give students the opportunity to apply quantitative techniques and reproduce the results of a top published empirical paper which evaluates actual policy interventions in particular fields of economics

Learning Outcomes: By the end of this course students should:

- have an advanced level of understanding of the most important econometric techniques for ex-post evaluations of economic policies and political interventions
- understand key debates and problems in the economics of policy evaluation
- be able to apply their knowledge of econometrics to the evaluation literature in peer-reviewed journals
- be able to apply advanced-level evaluation methods to study the effects of a specific policy intervention

Selected topics:

- Research methods to identify causal effects in the economics of policy evaluation
- Randomized experiments
- Natural experiments: Diff-in-Diff, regression discontinuity design, regression kink design
- Matching, synthetic control groups
- Two stage estimation: IV, Heckman

Literature

Angrist, J.D. and J.-S. Pischke (2008). Mostly Harmless Econometrics.
LaLonde, R.J. (1986). Evaluating the Econometric Evaluations of Training Programs with Experimental Data. *American Economic Review*, Vol. 76, 4: 604-620.
Krueger, A.B. (1999). Experimental Estimates of Education Production Functions. *Quarterly Journal of Economics*, Vol. 114, 2: 497-532.
Meyer, B.D. (1995). Natural and Quasi-experiments in Economics. *Journal of Business and Economic Statistics*, Vol. 13, 2: 151-161.
Angrist, J.D. and V. Lavy (1999). Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement. *Quarterly Journal of Economics*, Vol. 114, 2: 533-575.
Blundell, R., C. Meghir, M. Costa Dias and J. Van Reenen (2004). Evaluating the Employment Impact of a Mandatory Job Search Program. *Journal of the EEA*, Vol. 2, 4: 569-606.
Imbens, Guido W. and Joshua D. Angrist (1994). Identification and Estimation of Local Average Treatment Effects. *Econometrica*, Vol. 62, 2: 467-475.

Recent Developments in International Trade

Professor/Lecturer	Felbermayr, Gabriel
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

In the last ten to fifteen years, both theoretical modeling and empirical research in inter-national trade have undergone a profound revolution. New modeling approaches, new data, and better econometric methods shed new light on one of the oldest and most established fields in economic. Today, international trade research is a resolutely empirical field with manifold interactions between theory, econometrics, and quantitative model simulation for policy analysis. The objective of the seminar is to acquaint students with the most important recent developments and to rigorously prepare them for their own research work.

Literature
Antras, P. and S. Yeaple, 2013, "Multinational Firms and the Structure of International Trade"
Costinot, A., and A. Rodriguez-Clare, 2013, "Trade Theory with Numbers: Quantifying the Consequences of Globalization"
Head, K., and T. Mayer, 2013, "Gravity Equations: Workhorse, Toolkit and Cookbook"
Melitz, M., and S. Redding, 2013, "Heterogeneous Firms and Trade"
Burstein, A., and M. Melitz, 2013, "Trade Liberalization and Firm Dynamics"
Helpman, E., and O. Itskhoki, 2013, "Trade and Labor Market Outcomes"
Eaton, J., S. Kortum, and S. Sotelo, 2013, "International Trade: Linking Micro and Macro"

Advanced Topics in Taxation

Professor/Lecturer	Haufler, Andreas
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics; Microeconomics and Strategic Interaction
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Public Economics (compulsory)

Syllabus/Course Outline

The first half of the course is a lecture with tutorial; this part is relevant for students in both the 6 ECTS and the 12 ECTS tier. The lecture aims to cover a broad range of research questions in the field of taxation, and simultaneously provides an introduction to the methods used in recent theoretical and empirical work in public economics. Topics include taxation and risk-taking, tax evasion, public goods and externalities and taxation in imperfect markets. A particular focus will be on international tax competition where the strategic interaction between countries and, in some cases, firms is analyzed.

The lecture is accompanied by a tutorial that deepens the understanding of the material through exercise questions and structured reading assignments.

The second half of the semester has a seminar-style format. Each student presents a recent research paper that empirically tests or applies the theories covered in the first part of the course. Based on these presentations, students then write a term paper in the format of a research proposal.

Literature
Gareth D. Myles (1995): Public Economics. Cambridge University Press.
Andreas Haufler (2001): Taxation in a Global Economy. Cambridge UP.
Original journal articles

Topics in International Trade

Professor/Lecturer	Marin, Dalia & Tarasov, Alexander
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Written exam (120 min) and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Graduate course in Microeconomics or equivalent background and a working knowledge of calculus

Syllabus/Course

This course covers the theory of international trade at a graduate level. Specifically, it includes basic theories of international trade which explain why countries trade with one another such as the Ricardo Model, the Heckscher- Ohlin Model and trade with monopolistic competition. The course then covers more recent topics in international trade such as firm heterogeneity, the boundaries of multinational firms, international trade and the organization of firms and income distribution and trade.

Literature
Feenstra, R. (2003): "Advanced International Trade: Theory and Evidence," Princeton University Press.
E. Helpman, D. Marin, T. Verdier (eds.) (2008): „The Organization of Firms in a Global Economy", Harvard University Press.

Contract Theory: Incentives and Behavior

Professor/Lecturer	Schmidt, Klaus
Course type	Lecture, and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

The first half of the course is a lecture with tutorial offering a solid introduction into contract theory.

1. Introduction
2. Static Moral Hazard Models
3. Dynamic Moral Hazard Models
4. Static and Dynamic Adverse Selection
5. Relational Contracts
6. Mechanism Design
7. Incomplete Contracts

The lecture aims to cover a broad range of research questions in the field of taxation, and simultaneously provides an introduction to the methods used in recent theoretical and empirical work in public economics. Topics include taxation and risk-taking, tax evasion, public goods and externalities and taxation in imperfect markets. A particular focus will be on international tax competition where the strategic interaction between countries and, in some cases, firms is analyzed.
The lecture is accompanied by a tutorial that deepens the understanding of the material through exercise questions and structured reading assignments.
The second half of the semester has a seminar-style format. Each student presents a recent research paper that empirically tests or applies the theories covered in the first part of the course. Based on these presentations, students then write a term paper in the format of a research proposal.

Literature
Gareth D. Myles (1995): Public Economics. Cambridge University
Press.
Andreas Haufler (2001): Taxation in a Global Economy. Cambridge UP.
Original journal articles

Labor Economics: Theory and Applications

Professor/Lecturer	Sunde, Uwe
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics, Microeconomics and Strategic Interaction, Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	

Syllabus/Course Outline

This course offers an introduction to modern labor economics with a focus on the combination of theoretical models and their empirical implementation, as well as empirical applications. The course covers standard theories of the labor market and discusses recent developments, including the implications of imperfect labor markets and extensions to behavioral economics.

Topics .

1. Quantitative Labor Supply

2. Qualitative Labor Supply: Human Capital Theory

3. Labor Demand

4. Search

5. Unemployment

6. Imperfect Labor Markets

Literature

Will be given in the course

Applied Health Economics

Professor/Lecturer	Winter, Joachim
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Econometrics (M.Sc.) is strongly recommended

Syllabus/Course Outline

The lectures will focus on six specific topics in empirical health economics, for instance:

− What is health? How can we measure health?
− The demand for health and health care
− Health investments and health in a life-cycle perspective
− Causal links between socio-economic status and health

The lectures will discuss the substantive research question as well as the data and the econometric methods required to answer them. Results from existing studies will be discussed.

The econometric methods will then be applied in the PC classes, with the aim of replicating some or all of the results in the studies discussed in the lecture.

Essays and student presentations will reconsider these substantive research questions and the empirical methods taught in the first half of the course. Topics will be based on published research papers. There is some flexibility with respect to precise contents of these essays and presentations, but generally it won't be possible to succeed in the 12 ECTS essay and presentation module without also having followed the lecture part.

Literature
In the lecture part of the course, the following textbook will be used:

Andrew M. Jones, Nigel Rice, Teresa Bago dUva & Silvia Balia: Applied Health Economics, Second Edition. Abingdon, UK: Routledge, 2013

In addition, we will discuss recent published research papers.

New Keynesian Macroeconomics -Theory and Empirics

Professor/Lecturer	Wollmershäuser, Timo & Hristov, Nikolay
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics (Real Business Cycle models, dynamic modeling),Time-series Econometrics

Syllabus/Course Outline

This course provides a thorough introduction, both from an empirical and a theoretical perspective, into the basic New Keynesian macroeconomic model. This framework has emerged as the workhorse for the analysis of monetary policy and its implications for inflation, economic fluctuations and welfare. A particular emphasis will be put on the following questions: How do we measure monetary policy shocks? What are the empirical effects of monetary policy? Can we explain these effects theoretically? How should optimal monetary policy look like?

Stylized Macroeconomic Facts of the European and US Business Cycle:

- The Hodrick-Prescott filter
- Some stylized facts

Literature

Required Readings:

Backus, David, Patrick Kehoe and Finn Kydland (1995) "International Business Cycles: Theory and Evidence", in T. Cooley, ed.: Frontiers in Business Cycle Research. Princeton, University Press.

Cooley, Thomas and Edward Prescott (1995) "Economic Growth and Business Cycles", in T. Cooley, ed.: Frontiers in Business Cycle Research. Princeton, University Press.

Suggested Readings:

Ambler, Steve, Emanuela Cardia and Christian Zimmermann (2004) "International business cycles: what are the facts?", Journal of Monetary Economics, 51, 257-276.

Gomme, Paul and Peter Rupert (2007) "Theory, Measurement and Calibration of Macroeconomic Models, Journal of Monetary Economics, 54, 460-497.

King, Robert G. and Sergio T. Rebelo (1999) "Resuscitating real business cycles," Handbook of Macroeconomics, in: J. B. Taylor & M. Woodford (ed.), Handbook of Macroeconomics, edition 1, volume 1, chapter 14, pages 927-1007 Elsevier.

Rebelo, Sergio (2005) "Real Business Cycle Models: Past, Present and Future," Scandinavian Journal of Economics, 107(2), 217-238.

Dynamic Stochastic General Equilibrium Models

Professor/Lecturer	Wollmershäuser, Timo &Hristov, Nikolay
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Summer term/Winter term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics, New Keynesian Macroeconomics or Monetary Theory

Syllabus/Course Outline

The objective of the the seminar is to present some important extensions of the baseline Real Business Cycle model and the baseline New Keynesian model. The extensions are drawn from publications in leading international journals and from advanced macroeconomic textbooks. The participants are expected to work out the differences of the extension with respect to the baseline model and to implement the model into the software platform Dynare.

Literature

Will be given in the course

Empirical International Trade

Professor/Lecturer	Daniel Baumgarten
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Econometrics; moreover, some background in international trade will be very helpful

Syllabus/Course Outline

The aim of this course is to introduce graduate students to the empirics of international trade. At the end of the course, students should have a good understanding of trade patterns in the world, be able to understand and critically evaluate empirical trade papers, know how to bring trade theories to the data and how to implement (some of) the empirical techniques learnt in the course in the widely used econometrics software Stata.

1. Introduction
2. Tests of the Heckscher-Ohlin model
3. Tests of the Ricardian model
4. The gravity equation
5. Firm-level trade empirics
6. Assorted topics (time permitting)
    a. Trade and economic growth
    b. Trade and the labour market

Literature

The course is not based on a specific textbook. Some of the material is covered by Feenstra, R. (2004), "Advanced International Trade: Theory and Evidence", Princeton University Press.

Most of the material is based on original journal articles. References are given in the course. They are also listed in the detailed syllabus, which can be downloaded from the course website and the LSF Depot.

Contest Theory and Experiments

Professor/Lecturer	Martin Kocher & Florian Lindner
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Presentation (30 min)
Cycle	Summer term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics

Syllabus/Course Outline

Economic, political and social problems are described as contests when agents exert costly efforts while competing over the distribution of a scarce resource. Examples are: competition for mates, patents, promotions within firms, lobbying politicians, elections, sports competitions, or global conflicts. Such environments have been analyzed using Tullock contests, all-pay auctions and rank-order tournaments.
The course will cover theoretical models and experimental papers testing predictions from the models.

Literature

Will be given in the course

Offshoring and multinational firms

Professor/Lecturer	Daniel Baumgarten
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics and econometrics; moreover, some background in international trade will be very helpful

Syllabus/Course Outline

A characteristic feature of today's era of globalization is the growing international fragmentation of production processes (offshoring). Relatedly, multinational firms have evolved as key players of globalization.

The aim of the course is to introduce graduate students to the theory and empirics of offshoring and multinational firms. At the end of the course, students should have a good understanding of the firms' motives for operating in more than one country, of the determinants of internalizing production stages vs sourcing them out, as well as of the effects both in the home country and the host country, with a particular focus on the respective labour markets.

- Introduction
- Horizontal foreign direct investment
- Vertical (and complex) foreign direct investment I
- International fragmentation of production and trade in tasks
- The boundaries of multinational firms
- Effects of offshoring and multinational firms on the home economy

Literature

The course is not based on a specific textbook, but on original journal articles. References are given in the course. They are also listed in the detailed syllabus, which can be downloaded from the course website and the LSF Depot.

Frontiers in International Trade

Professor/Lecturer	Gabriel Felbermayr & Lisandra Flach
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Microeconomics, Background of International Trade

Syllabus/Course Outline

This course takes a firm level approach to the theory of international trade. The course is based on recent papers in this area and is intended to bring students to the frontier of research in this field.

1. The Armington model and the gravity equation of international trade
2. Ricardian models of trade
3. Trade with increasing returns and imperfect competition
4. Trade policy: beggar thy neighbor and protection for sale
5. Structural estimation of trade models and the effects of free trade agreements
6. Multi-product firms
7. The empirics of firm heterogeneity
8. Production function estimation
9. Productivity in firm-level data
10. Product quality: Theory and empirics
11. Recent topics in international trade

Literature

Will be given in the course

Advanced Topics in Econometrics

Professor/Lecturer	Helmut Farbmacher
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics; Research
Hours/week	2+2
Exam	Term paper (45.000 characters)
Cycle	
ECTS-Points	6
Language	English
Prerequisites	Solid knowledge in Econometrics, Linear Algebra and Statistics and a high motivation

Syllabus/Course Outline

The goal of the course is to give an introduction to recent developments in (Micro-) Econometrics. The student should be enabled to understand the basic concepts and to utilize recent results for his own applied work.

The course will cover fundamental methods for microeconomic data, including maximum likelihood, moment condition models, quantile regression, and Bayesian methods.

Outline:

- Methods for Nonlinear Models: MLE, GMM, Minimum Distance, Extremum Estimation
- Large Sample Theory
- Continuously Updating GMM, Empirical Likelihood
- Quantile Regression
- Bayesian and Quasi-Bayesian Methods (From a Classical View)
- Bounds and (Partial) Identication
- Semi- and Nonparametric Methods
- Paneldata Methods

Literature
Amemiya: Advanced Econometrics
Anatolyev / Gospodinov: Methods for Estimation and Inference in Modern Econometrics
Selected articles

Empirical Gender Studies

Professor/Lecturer	Martin Kocher & Monika Schnitzer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction
Hours/week	2+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	6
Language	English
Prerequisites	Principles of economics (microeconomics, game theory, and econometrics on the master level).

Syllabus/Course Outline

Discussing assessments of gender in economics with a focus on studies that use field data, field experiments, and laboratory experiments.
Debating methodological aspects of these studies such as design, potential pitfalls, biases,…

Topics:
Gender in models, experiments, and field data
A primer in behavioral and experimental economics; Gender and uncertainty
Gender and stereotypes
Gender and firm performance
Gender and competition
Gender and wage gap
Gender and prosocial behavior; Gender in psychology

Literature

Will be given in the course
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International Public Economics

Professor/Lecturer	Kai Konrad & Tim Stolper
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Exam 120 min
Cycle	
ECTS-Points	6
Language	English
Prerequisites	t.b.a.

Syllabus/Course Outline

The strengthened internationalization of modern economies constitutes a new framework for public spending and revenue policies and creates new challenges for policy makers. This course analyses the incentives and effects of state actions in an international setting. Among others, topics include the theory of optimal tariffs, strategic trade policy, tax competition and further cooperative and non-cooperative interactions between states affecting public finances.

- Theory of optimal tariffs

    Yarbrough and Yarbrough (1994)

    Panagariya (2000)

    Burbridge et al. (1997)

    Markusen et al. (1995)

- International public goods

    Myles (1995)

    Konrad and Thum (2014)

- International tax competition

    Keen and Konrad (2013)

Literature

Burbridge, John B., James A. DePater, Gordon M. Myers and Abhijit Sengupta, 1997, A Coalition-Formation Approach to Equilibrium Federations and Trading Blocs, American Economic Review 87(5), 940-956.

Keen, Michael, and Kai A. Konrad, 2014, The Theory of International Tax Competition and Tax Coordination, in Alan J. Auerbach, Raj Chetty, Martin Feldstein and Emmanuel Saez (eds.), Handbook of Public Economics, Vol. 5, 257-328, North Holland, Amsterdam.

Konrad, Kai A., and Marcel Thum, 2014, Climate Policy Negotiations with Incomplete Information, Economica 81(322), 244-256.

Markusen, James R., James R. Melvin, William M. Kaempfer and Keith Maskus, 1995, International Trade: Theory and Evidence, McGraw-Hill, New York.

Myles, Gareth D., 1995, Public Economics, Cambridge University Press, Cambridge

Panagariya, Arvind, 2000, Preferential Trade Liberalization: The Traditional Theory and New Developments, Journal of Economic Literature 38(2), 287-331.

Yarbrough, Beth V., and Robert M. Yarbrough, 1994, The World Economy: Trade and Finance, Hartcourt, Fort Worth.

Political Economy

Professor/Lecturer	Björn Kauder & Niklas Potrafke
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	2+2
Exam	Term Paper
Cycle	
ECTS-Points	6
Language	English
Prerequisites	Econometrics (recommended)

Syllabus/Course Outline

The Political Economy course focuses on research in applied political economy. The course deals with questions such as

- How government ideology influences economic policy-making (partisan politics)

- How electoral motives influence economic policy-making (political business cycles)

- How globalization influences economic policy-making

- How political institutions and religion influence economic policy-making

- How political scandals influence re-election prospects

We apply econometric techniques to estimate panel data models, univariate time series models, linear cross-sectional models and binary choice models. The data cover recent datasets used in political economy research. In the first two thirds of the course, you will learn how to employ econometrics to deal with political economy issues. The aim is that you do your own research during the semester and present first results in class at the end of the semester.

Literature

Will be given in the course

Advanced Economic History

Professor/Lecturer	Davide Cantoni
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, presentation
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Principles of economics (micro and macroeconomics, and especially econometrics at the master level).

Syllabus/Course Outline

This course aims to explain the very long run trends in economic history. The two main questions that underlie the classes will be: (1) why are our societies so much more productive/rich than our ancestors' ones? and (2) why are there such large differences in income levels across societies today? To investigate these questions, we will look for the explanatory power of various factors, such as geography, technology, institutions, and culture, trying to isolate fundamental determinants from proximate ones. As put by North and Thomas in 1973: "The factors we have listed (innovation, economies of scale, education, capital accumulation etc.) are not causes of growth; they are growth" — instead, causes of growth will be the focus of this class.

As such, this class is highly complementary to any courses or readings you might do in economic growth, economic development, or political economy. Moreover, the focus of this class will be on reading and discussing research papers with a strongly empirical focus; it will thus be complementary to the (micro) econometrics classes in the program and should be viewed as good preparation to one's own writing of applied research papers.

Literature
(Note: this is just a selection of papers and books that represent the core topics discussed in the lecture. A more detailed list of readings can be found in the syllabus)

Diamond, Jared (1997), Guns, Germs, and Steel. New York: W.W. Norton

Clark, Gregory (2007), A Farewell to Alms. Princeton, N.J.: Princeton University Press

North, D. C. and Thomas, R. P. (1973). The Rise of the Western World: A New Economic History. Cambridge University Press, Cambridge, New York

North, D.C. and Weingast, B.W. (1989). Constitutions and commitment: The evolution of institutions governing public choice in 17th-century Engl.and. Journal of Economic History, 9(4):803–32

Acemoglu, D., Johnson, S., and Robinson, J. (2005a). The rise of Europe: Atlantic trade, institutional change, and economic growth. American Economic Review, 95(3):547–579

Engerman, S. L. and Sokoloff, K. L. (1997). Factor endowments, institutions, and

differential paths of growth among New World economies: A view from economic historians of the United States. In Haber, S., editor, How Latin America Fell Behind. Stanford University Press, Palo Alto, Calif

La Porta, R., Lopez-de-Silanes, F., and Shleifer, A. (2008). The economic consequences of legal origins. Journal of Economic Literature, 46(2):285–332

Glaeser, E. L., La Porta, R., Lopez-de Silanes, F., and Shleifer, A. (2004). Do institutions cause growth? Journal of Economic Growth, 9:271–303

Guiso, L., Sapienza, P., and Zingales, L. (2011). Civic capital as the missing link. In Jess Benhabib, A. B. and Jackson, M., editors, Handbook of Social Economics, volume 1, pages 417–480. Elsevier, Amsterdam

Tabellini, G. (2010). Culture and institutions: Economic development in the regions of Europe. Journal of the European Economic Association, 8(4):677–716

Becker, S. O. and Wößmann, L. (2009). Was Weber wrong? A human capital theory of Protestant economic history. Quarterly Journal of Economics, 124(2):531–596

Advanced Topics in Organizational Economics

Professor/Lecturer	Englmaier, Florian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Microeconomics and Strategic Interaction; Research
Hours/week	4+2
Exam	Term paper and presentation (30 min)
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Master Level knowledge in Microeconomics and Econometrics are necessary; some familiarity with game theory and principal agent theory will be helpful.

Syllabus/Course Outline

1 Behavioral Approaches
  1.1 The Role of Social Preferences – Theory
  1.2 The Role of Social Preferences – Evidence
  1.3 Matching of Types
  1.4 Contracts as Reference Points
  1.5 The Role of Salience – Evidence
  1.6 The Role of Salience – Theory
2 Persistent Productivity Differences –What do managers do?
  2.1 Evidence
  2.2 Explanations: Management Practices
  2.3 Explanations: Relational Contracts
3 Authority and Leadership
4 Delegation and Communication
5 Learning about Organizations through Field Experiments

Literature
"The Handbook of Organizational Economics", edited by Robert Gibbons & John Roberts, Princeton University Press, 2012

Advanced Search Theory

Professor/Lecturer	Holzner, Christian
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics; Microeconomics and Strategic Interaction
Hours/week	4+2
Exam	Term Paper, presentation
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Lecture in "Search and Matching Theory"

Syllabus/Course Outline

The focus seminar is addressed to master students, who are interested in the latest developments in search theory. Aim of the seminar is to give the seminar participants an overview of current research topics in search theory with a focus on heterogeneity on both sides. The topics will cover mismatch, sorting and auctions in environments with search frictions.

Topics:

1.   Sorting versus screening in frictional markets
The aim is to understand under which type of meeting (search) frictions induce firms to choose to commit to prices, to post an asking price without commitment, or to post an auction.

2.   How to identify sorting
The aim is to understand how one can empirically identify the direction (positive assortative vs. negative assortative) and the strength of sorting based on a framework with search frictions.

3.   Mismatch, sorting and search frictions
The aim is to understand the role of mismatch and subsequent sorting through on-the-job search for job-to-job transitions and the output lost due to search frictions.

Literature

Books:
•   Pierre Cahuc and André Zylberberg: Labor Economics
•   Christopher Pissarides: Equilibrium Unemployment
•   Dale Mortensen: Wage dispersion

The different topics of your seminar thesis will be based on various search theory papers.

Monetary Theory

Professor/Lecturer	Gerhard Illing
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Macro and International Economics
Hours/week	4+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Macroeconomics; Microeconomics; Econometrics

Syllabus/Course Outline

The aim of the course is to introduce into core models of Monetary Theory and to show how they can be used to provide insights for the design of monetary policy. The course will also survey selected current research topics in this field. Topics include the role of money in flexible-price general equilibrium models and in models with sticky price adjustment; Monetary Transmission mechanisms, Monetary policy rules; credibility issues in monetary policy; the importance of institutional design for monetary policy and issues in monetary policy implementation. Apart from New Keynesian models, the course will also cover the interaction between monetary and fiscal policy, the role of government debt and the theory of the fiscal price level; monetary policy and financial stability; incomplete financial markets and models of liquidity crises. Requisite for taking part in the exam is a reading-group-type presentation of a recent research paper, to be presented in January.

- Introduction: Central Banks and the role of money
- Stylized Facts about Money
- Long Run Growth - The Basic Framework
- Money and long run growth
- Money and short run stabilization
- Monetary Policy and Financial Stability

Literature

The course will be based on:

Illing, Gerhard script: Money - Theory and Practise - mimeo, LMU Munich and

Walsh, Carl E. (2010): Monetary Theory and Policy. 3rd edition. MIT Press.

Additional reading list will be given in the course

Social Policy

Professor/Lecturer	Volker Meier
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Public Sector Economics
Hours/week	4+2
Exam	Exam 120 min
Cycle	Winter term
ECTS-Points	12
Language	English
Prerequisites	Advanced Macroeconomics, Advanced Microeconomics, Public Economics

Syllabus/Course Outline

The seminar deals with various issues in the sphere of intergenerational redistribution of income, with a focus on higher education and family policies.

- **Policy Issues in Higher Education**
  Centralization of Standards - Standards and Distribution - College Expansion and Academic Quality - Admission and Pricing in Higher Education - Tests and Tuition Fees
- **Family Policy**
  Family Policy with Noncooperative Families - Impact of Child Benefits and Taxation on Fertility and Labour Supply - Household Behavior with Endogenous Bargaining Weights - Family Policy with Endogenous Gender Power

Literature

Apps, P. and R. Rees (2004), "Fertility, Taxation and Family Policy", *Scandinavian Journal of Economics* 106, 745-763.

Basu, K. (2006), "Gender and Say: A Model of Household Behaviour with Endogenously Determined Balance of Power", *Economic Journal* 116, 558-580.

Betts, J. (1998). "The Impact of Educational Standards on the Level and Distribution of Earnings", *American Economic Review* 88, 266-275.

Costrell, R. (1997). "Can Centralized Educational Standards Raise Welfare?", *Journal of Public Economics* 65, 271-293.

Epple, D., R. Romano and H. Sieg (2006). "Admission, Tuition and Financial Aid in the Market for Higher Education", *Econometrica* 74, 885-928.

Gary-Bobo, R. and A. Trannoy (2008). "Efficient Tuition Fees and Examinations", *Journal of the European Economic Association* 6, 1211-1243.

Kemnitz, A. and M. Thum (2014), "Gender Power, Fertility and Family Policy", *Scandinavian Journal of Economics*, forthcoming.

Konrad, K. A. and K. E. Lommerud (1995), "Family Policies with Non-Cooperative Families", *Scandinavian Journal of Economics* 97, 581-601.

Su, X., M. Kaganovich and I. Schiopu (2012). "College Expansion and Curriculum Choice", University of Alberta, Working Paper No. 2012-25.

Economic Evaluations of Family Policy Interventions

Professor/Lecturer	Helmut Rainer
Course type	Lecture and Tutorial
Compulsory/Optional	Optional
Specialization	Applied Econometrics
Hours/week	4+2
Exam	Term Paper, Presentation
Cycle	
ECTS-Points	12
Language	English
Prerequisites	Although the course is largely self-contained, Econometrics (M.Sc.) is recommended

Syllabus/Course Outline

The course offers an introduction to modern family economics with a focus on empirical evaluations of family policy interventions. The course will include but is not limited to the following topics:

- What kind of public policies are targeted at families, and how are they expected to affect family outcomes from a theoretical point of view?
- How does the provision of public child care affect maternal employment and fertility?
- What is the causal link between early child care and child development?
- How do families respond to unconditional monetary benefits?
- How does the liberalization of divorce laws affect flows into and out of marriage?

The course has two main parts. The first part consists of weekly lectures which will discuss the substantive research questions as well as the data and the econometric techniques necessary to address them. In the second part of the course, which will be blocked on 2 days, students will present their term papers. The topics of the term papers will reflect the substantive research questions and empirical methods covered in the first part of the course.

Literature

Havnes, T. and Mogstad. M. (2011), Money for Nothing? Universal Child Care and Maternal Employment; Journal of Public Economics

Gelbach, J. (2002), Public Schooling for Young Children and Maternal Labour Supply, The American Economic Review;

Magnuson, K.A., Ruhm, C., Waldfogel, J. (2007), Does prekindergarten improve school preparation and performance?, Economics of Education Review

Gonzales, L. (2013), The Effect of a Universal Child Benefit on Conceptions, Abortions, and Early Maternal Labor Supply, American Economic Journal: Economic Policy

Lalive, R., Zweimüller, J. (2009), How Does Parental Leave Affect Fertility and Return to Work? Evidence from Two Natural Experiments; Quarterly Journal of Economics

Friedberg, L., (1998), Did Unilateral Divorce Raise Divorce Rates? Evidence from Panel Data, American Economic Review

Further literature will be added during the course.